



COMPACT GOAL

This \$362.6 million Lesotho Compact is designed to provide strategic investments to increase the availability of water for households and industrial use, rehabilitate health infrastructure, and remove barriers to foreign and local private sector investment. The Compact also includes a strategic investment designed to test viable wetland and watershed management and conservation approaches.

COMPACT AT A GLANCE

Compact Signing Date	July 23, 2007
Entry Into Force	September 17, 2008
Compact End Date	September 17, 2013
Estimated Program Beneficiaries	1,041,422
Est. Increase in Household Income	\$376 Million
Compact Total	\$362.6 Million
Amount Committed	\$88.6 Million (25%)
Amount Disbursed	\$35.5 Million (10%)

% OF TOTAL COMPACT

45%	Water Project	\$164
34%	Health Project	\$122.4
10%	Private Sector Development Project	\$36.5
2%	Monitoring and Evaluation	\$7.8
9%	Program Administration and Control	\$31.8

COST (MILLIONS USD)



Project Preparation Project Implementation

Water Project

This project is aimed at improving the water supply for industrial and domestic needs by providing essential infrastructure to deliver water to current and future industrial projects, and by providing water system upgrades. The project is also designed to enhance rural livelihoods through improved watershed management.

Projected Long-term Results*

ESTIMATED
BENEFICIARIES

236,874

ESTIMATED INCREASE IN
HOUSEHOLD INCOME

\$173 million

* Up to 20 years

PROJECT COST

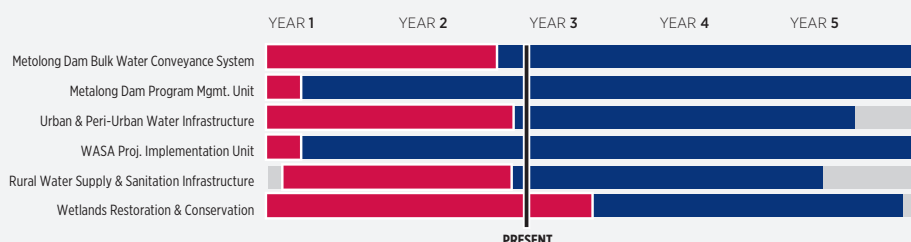
\$164 million

TOTAL CONTRACT COMMITMENTS

\$30.1 million

TOTAL PROJECT DISBURSEMENTS

\$10.2 million



PRESENT

PROJECTED RESULTS BY END OF COMPACT

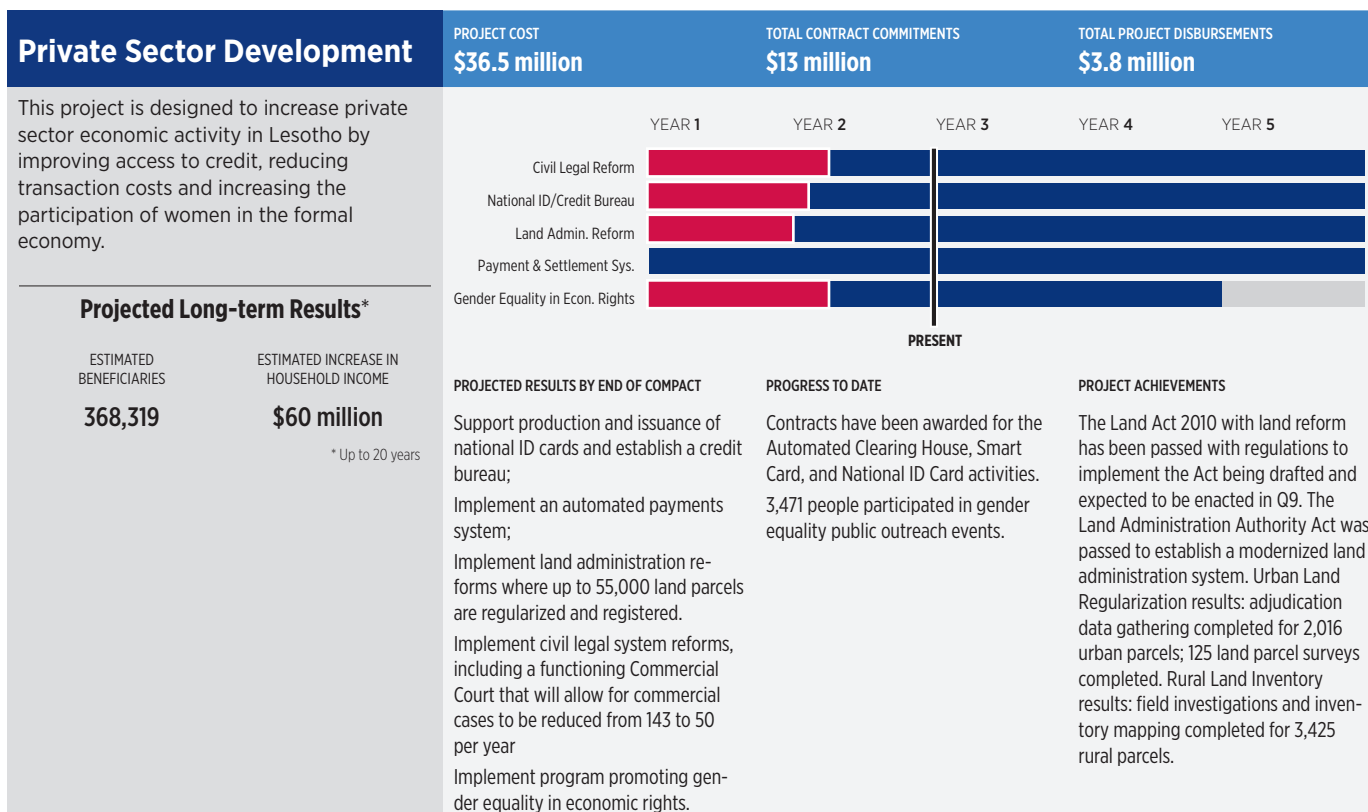
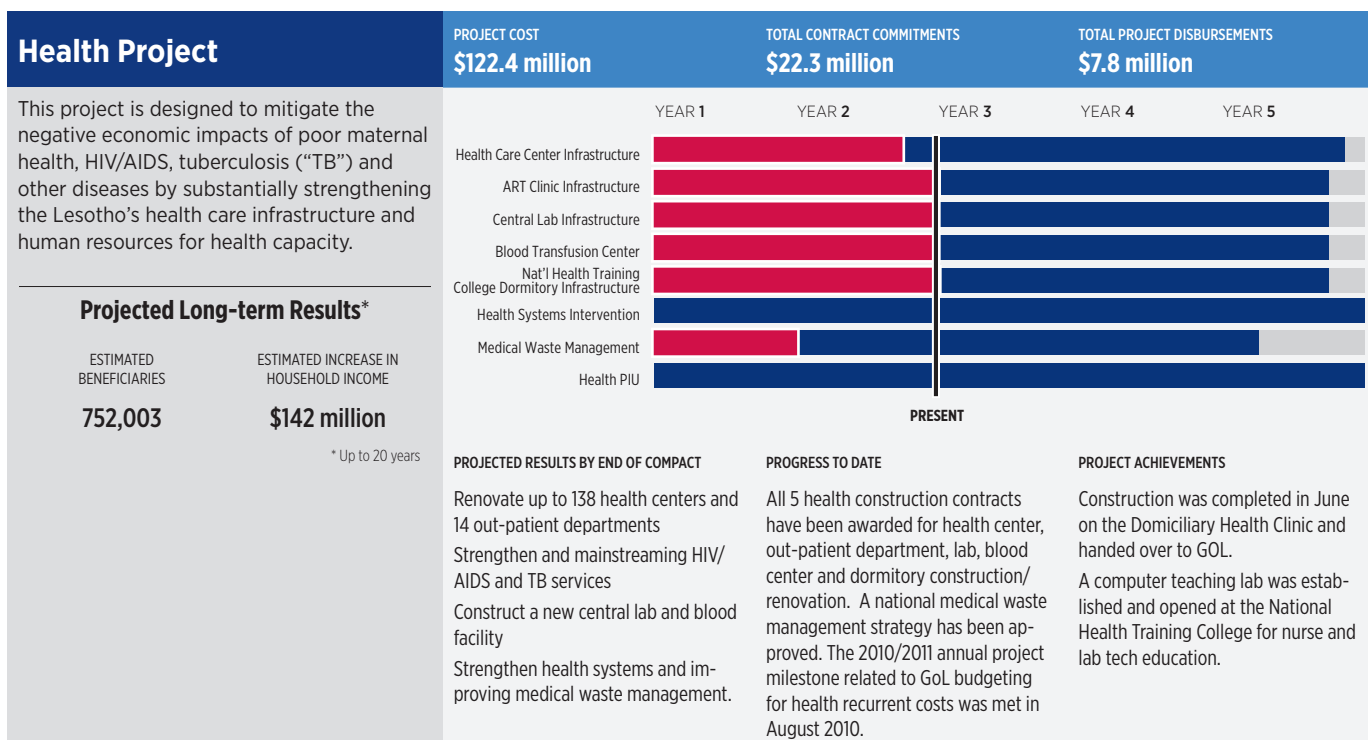
Reduce school days lost due to water borne diseases by 50% from 24 days to 12 days, increase the number of Rural Households with access to improved latrines and improved water supply, and deliver reliable water services to urban and peri-urban households. Pilot test wetland restoration and community-based conservation strategies to contribute to Lesotho's future larger scale conservation efforts

PROGRESS TO DATE

Contract awarded for the water treatment plant and related infrastructure. Draft IFB for first urban/peri-urban project under review. Sixteen contracts awarded for construction of rural water supply systems.

PROJECT ACHIEVEMENTS

Metolong Resettlement Action Plan drafted for areas to be impacted by Advance Works Phase 2, including the area to be affected by water treatment works. The Wetlands Restoration project team has developed a comprehensive website: <http://www.wetlands.org.ls/> Metolong Act has been passed.



These estimates are based on the best, currently available information and may be updated if new and reliable data become available.

MCC defines beneficiaries as all members of a household who stand to see an increase in its income. Beneficiaries are counted only once in the total beneficiary count even if they benefit from more than one project, so the total beneficiary count may be different than the sum of the different project beneficiary counts. MCC estimates and reports expected beneficiaries when sufficiently reliable data exists to support the estimation. If such evidence is lacking, no estimation is attempted.

Total benefits expected from a project are obtained from the ERR analysis MCC conducts during due diligence. Beneficiary counts, although consistent with benefit streams identified in the economic analysis, are not necessarily derived from these models. Calculating the amount of benefit per beneficiary is therefore not appropriate and can be misleading.

Project Preparation: For Infrastructure projects this includes assessments and feasibility, detailed project planning and design, and competitive procurement. For other projects, this includes training, collecting baseline data, public outreach, selecting beneficiaries or target area and revising project methodology accordingly, procurement, contracting of project managers, and project pilots.